

A side by side comparison of the two taxing ideas.

Assume a hydroponics facility with a value of \$25 million and a local millage rate of 40 mills.

CURRENT TAXES

CASWELL PROPOSAL

The taxable value of the facility is 50% of the true cash value or \$12.5 million.

Taxes would be calculated for this facility by using 25% of the millage rate or 10 mills. Multiplying \$12.5 million by the 10 mills(.010) yields a tax of \$125,000.

FUNCTIONAL OBSOLESCENCE PROPOSAL

If a functional obsolescence factor of 60% is used then we would multiply the \$25 million by 40% to get the true cash value. This would yield \$10 million. The taxable value of the facility would be 50% of this true cash value or \$5 million. Taxes would be calculated for the facility by multiplying \$5 million by the 40 mills(.040) which yields a tax of \$200,000.

NEW TAXES AFTER IMPLEMENTATION

Assume a millage is passed for 6 mills to build a new school

CASWELL PROPOSAL

The facility would pay taxes of \$12.5 million times 6 mills(.006) for a tax of \$75,000.

FUNCTIONAL OBSOLESCENCE PROPOSAL

The facility would pay taxes of \$5 million times 6 mills(.006) for a tax of \$30,000.

As you can see, for new millages these bills before you will raise much more tax money. This means that a lower millage rate can be levied on the taxpayers in that jurisdiction and the same amount of taxes can still be raised. This helps to provide tax relief on an on-going basis for everyone.

Changes in FIP Independents from FY 2011 to FY2014				
County	2011 # of FIP Independents	2014 # of FIP Independents	% Decrease	Comparison to Branch County
State	302,924	119,785	60%	
Berrien	5,164	1,886	63%	
Branch	1,204	222	82%	23%
Calhoun	4,953	1,709	65%	0%
Cass	1,045	313	70%	20%
Hillsdale	1,329	576	57%	14%
Jackson	4,809	2,236	54%	30%
Kalamazoo	8,698	2,848	67%	34%
Lenawee	1,678	986	41%	18%
Monroe	2,719	1,086	60%	49%
St.Joesph	1,130	350	69%	26%
				15%